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87-951
OC-0417-87
11 JUL 1987

MEMORANDUM FOR: Comptroller

THROUGH: Deputy Director for Administration

FROM:
Director of Communications

25X1

SUBJECT: Prior Year Funds for Carrier Measurement
System Single Terminal Spares

25X1

REFERENCE:

25X1

1. Action Requested: Request \$105,259 in prior year (FY1985) funds be allocated to the Office of Communications (OC) for Carrier Measurement System (CMS) single terminal spares.

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2. Background: It has been determined that the costs for CMS spares purchased from Stanford Telecommunications, Inc. under contract number 84*V168910*000 were erroneously omitted from the contractor's original firm fixed price (FFP) proposal. The omission is attributable to contractor oversight during negotiations that took place near the end of FY 1984. The spares, purchased under an option which was exercised in FY 1985, have subsequently been delivered and accepted by the Government. The contract price was initially \$562,074. In extensive negotiations that took place after the contractor advised the Government of the omission, the contract price was renegotiated to \$667,333 to include spares pricing of \$105,259. The price increase of \$105,259 provides reimbursement for only 50 percent of the direct costs the contractor incurred in providing the spares. The renegotiated price does not provide additional indirect cost reimbursement or profit beyond that included in the initial contract cost.

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WARNING NOTICE
INTELLIGENCE SOURCES
OR METHODS INVOLVED



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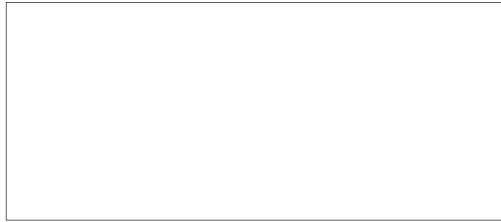
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Terminal Spares

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3. Recommendation: In accordance with Reference, paragraph
2b(4), it is requested that \$105,259 in FY 1985 funds be provided
OC to cover the above cost.

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CONCUR:



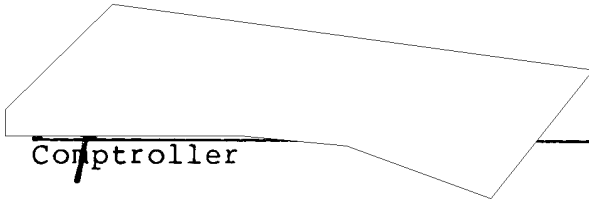
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Deputy Director for Administration

07 JUL 1987

Date

APPROVED:



Comptroller

27 JUL 1987

Date

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